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Webster tells panel he knew nothing about Contra affair

By Mary Belcher
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FBI Director William Webster revealed yesterday that an unnamed Justice Department official "speculated" in an Oct. 30 memo that Lt. Col. Oliver North might become a focus of a criminal probe because of his efforts to aid the Nicaraguan rebels.

Col. North was fired by President Reagan 26 days later from the National Security Council staff for his role in diverting Iranian arms sales proceeds to the Contras.

But Mr. Webster, who testified before the Senate Intelligence Committee, said he did not suspect a crime was being investigated when Attorney General Edwin Meese III on Nov. 21 began a four-day inquiry that led to the discovery of the Iran-Contra affair.

Mr. Webster said that if he had believed there might be criminal activity involved, he would have insisted on FBI involvement in the probe.

Mr. Webster, in a daylong hearing on his pending nomination as CIA director, also recounted how the Justice Department asked him in October to postpone an FBI inquiry into

Mr. Reagan nominated Mr. Webster as CIA director after Robert Gates, the CIA's second-in-command, was forced to withdraw his nomination last month in a flurry of questions about his part in the handling of the Iran-Contra affair.

Former CIA Director William Casey, who is being treated for cancer, resigned in February amid continuing allegations about his role in the matter. Mr. Reagan instructed Mr. Casey in January 1986 not to inform key members of Congress about the secret initiative, despite laws that require "timely" notification.

Mr. Webster, 63, won praise from Senate panel members yesterday for his nine years as FBI chief. After a second hearing today, his confirmation as CIA director is expected later this month.

But the Senate committee, which was not informed of the Iran arms initiative until it was published in a Lebanese magazine in November, wanted assurances from Mr. Webster that he would not withhold information on covert activities from them.

"I believe the director of the CIA clearly has an obligation of trust to the Senate and to this committee," Mr. Webster said. "I would have to advise the president of my position on this and if he would not offer to speak to you, I would have to leave."

Signaling a clear intention to distinguish himself from Mr. Casey, who managed Mr. Reagan's 1980 presidential campaign, Mr. Webster said he would not allow politics to influence CIA operations.

Mr. Webster said he told Mr. Reagan he would want to "return to the traditional role of CIA director and not be a member of the president's Cabinet."

"The president told me he had come to the same decision," Mr. Webster said. "That will help minimize the perception of the director of Central Intelligence as a political officer."

Mr. Webster said he has been guaranteed "one-on-one" access to the president and has been promised he will be kept informed of important issues.

"If I have access and awareness, I do not need or want to be involved in a Cabinet-level function," he said.

The Oct. 30 memo Mr. Webster described for the Senate panel was one he had initialed when he read, but then forgot about, he said.

In the memo, an unnamed Justice Department official recommended that certain FBI information not be shared with Col. North because he might be the target of a future criminal probe.

Mr. Webster said he did not regard the recommendation as significant because the Justice official's comments were speculative and based only on newspaper reports of Col. North's efforts to aid the Contras.

Reports of Col. North's Contra efforts surfaced last summer, long before the Iran arms initiative became public. The legality of his actions was questioned because Congress had banned aid to the Contras from October 1984 to October 1986.

The Oct. 30 memo was brought to the Senate Intelligence Committee's attention Tuesday night by the independent counsel's office. Mr. Webster said yesterday he did not mention the memo in a set of written answers to panel questions because he had forgotten about its existence.

According to The Associated Press, the memo was based on comments made by Mary Lawton, head of the Office of Intelligence Policy and Review at the Justice Department, in response to an NSC request that Col. North be given access to classified FBI materials.

Mr. Webster admitted yesterday he was "ill at ease" about Col. North, because he was a "gung-ho," "result-oriented" individual who could possibly transform the NSC from

"think-tank to an action-tank."

Oliver Revell, the FBI's executive assistant director, served as Mr. Webster's representative on an NSC anti-terrorist working group. After Col. North informed the group in August 1986 about the Iran arms shipments, Mr. Revell relayed the information to Mr. Webster, who then confirmed the report with Mr. Meese.

Mr. Meese assured Mr. Webster that the president had authorized the Iranian arms sales in a formal "finding," putting to rest the FBI chief's concerns about the legality of the initiative.

On Oct. 8, 1986, Col. North called Mr. Revell about the downing of a civilian cargo plane in Nicaragua. American Eugene Hasenfus was the plane's only surviving crew member. The plane was linked to Southern Air Transport in Miami, which the FBI was investigating for its involvement in Contra supply efforts and which was believed to have been used in the Iran arms shipments.

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Florida-based Southern Air Transport's involvement in Contra supply efforts because of "sensitive" hostage negotiations in Iran.

He said he did not link the Iranian arms initiative with the Contras until Mr. Meese publicly disclosed the connection on Nov. 25.

The FBI did not enter the case until the morning of Nov. 26.

Col. North's former secretary, Fawn Hall, has told Independent Counsel Lawrence Walsh she helped destroy records before the FBI secured them.

"I had no reason to believe that the national security adviser [Rear Adm. John Poindexter] or Col. North had any reason to conceal information about unlawful activities," Mr. Webster told the Senate panel, explaining why he did not insist on protecting the documents when Mr. Meese began his probe Nov. 21.

"If that was naive, I confess to it," he said.

2.

Col. North expressed concerns Oct. 8 that the FBI might stumble onto the covert Iran initiative, jeopardizing hostage negotiations taking place in the Middle East.

On Oct. 30, Mr. Webster said, he was asked by Mr. Meese through a subordinate to postpone any "non-urgent" part of the Southern Air Transport investigation for 10 days because it might upset the hostage negotiations. Mr. Webster checked with an aid overseeing the probe and was assured that a delay would not disrupt it.

The Southern Air Transport investigation, Mr. Webster said, was resumed Nov. 20, when the Justice Department gave it the go-ahead.

On Nov. 21, Mr. Meese mentioned in a "casual" conversation with Mr. Webster that he was trying to "get the facts straight" in various administration statements on the Iran arms shipments, according to Mr. Webster.

Mr. Webster said he offered his help at that time, but Mr. Meese declined.

"Neither of us were thinking in criminal terms," Mr. Webster said, explaining why the FBI's help was not enlisted.

"You can fault me for not seeing it, but I didn't see it," Mr. Webster said.

Mr. Webster said that perhaps the FBI "should have been more aggressive in rapidly freezing the information," once Mr. Meese disclosed the Iran-Contra connection Nov. 25.
